The A. F. of L. Weekly News Service gives more accurate and official interpretations of matters affecting labor occurring in the industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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SAVE FOOD—Help Relieve Famine Abroad

WHOLE NO. 1843 WILLIAM GREEN, President WASHINGTON, D. C., TUESDAY, AUGUST 6, 1946 GEORGE MEANY, Secretary-Treasurer VOL. 36, NO. 32

LABOR, USA

Washington, D. C.—The fifth edition of the American Federationist of the Air, broadcast on the "Labor, USA" program over the American Broadcasting Company network, included the following outstanding feature articles to supplement the news:

Prices, Wages, and Production

By ROBERT J. WATT
Member of National Wage Stabilization Board

American businessmen have the opportunity in the next few months to save the nation from an unhealthy boom which can only result in a disastrous bust.

The one answer to our present economic troubles is production—a vastly stepped up production which will wipe out existing scarcities.

As long as shortages continue it will be impossible to hold off inflation by the weak and artificial controls voted to the OPA by Congress. And if inflation breaks loose, the runaway will endanger the nation's entire economy.

Conditions are now highly favorable to maximum production. Business is guaranteed a high profit, above and beyond all costs, under the new OPA formula. Materials are steadily growing more plentiful. Hungry markets are assured for heavy goods as well as all kinds of consumer goods. Above all, a plentiful supply of skilled labor is available—steady labor at stabilized wages.

Yes, stabilization of wage rates is back in force through reenactment of OPA for another year. The wage formula now in existence gives all the advantages to employers. It provides that the Government will allow them higher prices to pass on the cost of pay increases up to 18½ cents an hour above the rate existing on V-J Day. The Government will not approve wage adjustments above that figure for price purposes except in special cases.

Labor does not relish this wage freeze, especially at a time when prices and the cost of living are climbing into the stratosphere. However, the workers of America are determined that the Government nurse for the time being is to tighten their belts and work harder than ever before to increase production. Their only recourse is to strike for higher wages but that would only delay production further and at the same time accelerate inflation.

So we are giving business a chance to save itself and the nation from economic grief. We are putting our shoulders to the wheel and shoving production ahead with all our power in the hope that scarcities will soon end and prices will drop of their own weight. It takes considerable self-restraint and self-discipline for the trade union movement to keep to this policy under present pressures. We hope that business likewise will exercise self-restraint and give the American people a break by restoring prices to their natural level through high-volume production.

The Right to Work

By JOSEPH A. PADWAY
General Counsel for the AFL

One of the most pernicious falsehoods circulated against labor unions is that they infringe upon the individual's right to work. The purpose of trade unions is to protect everyone's right to work, not to deny it to anyone.

Yet because of anti-union propaganda, the States of Florida and Arkansas have adopted Constitutional amendments outlawing the union shop and a move was started in Congress just before adjournment to approve an amendment to the United States Constitution along the same lines.

This amendment, significantly enough, was introduced by Senator Andrews of Florida, the State where the anti-union-shop drive originated.

Its language sounds innocent enough. It says:

"The inherent right of a person to work and bargain freely with his employer, individually or collectively, for terms and conditions of his employment shall not be abridged by any Federal or State law, or by any organization of whatever nature."

Yet those smooth words would destroy the Wagner Act, invalidate thousands of contracts now in existence and hamstring the most successful union security wreck the trade union movement in America.

The labor in the above clause "inherent individually or collectively." Under the National Labor Relations Act and the little Wagner Acts adopted by many of our States, the union receiving the majority vote of the workers in the appropriate collective bargaining unit in a plant, becomes the exclusive bargaining agent for all the workers in that unit. That is majority rule. That is the only way to get action and progress. It does not preclude any individual worker from getting more than the terms of the union management agreement prescribe, by reason of special skill or ingenuity. But it does give the majority of the workers in the plant protection against attempts to undercut the union scale.

Essentially, the so-called right to work amendment is a devious legal scheme to permit disbelief agencies to intimidate workers into accepting conditions below union standards. It is un-American and unjust.

The American Federation of Labor is confident that the American people will not be taken in by this transparent scheme to deceive them.

Better Health for America

By NELSON CRUIKSHANK
Social Insurance Director for the AFL

Congressional failure to budge an inch on the Federal Health Bill must not be allowed to obscure the fact that we have gained considerable progress in the last few months for national health insurance in America.

This is a necessary social advance which the American people want, as has been shown by every public opinion poll. But the American Medical Association has fought the proposal bitterly, yes, fought it with quack medicine, in the mistaken fear that the legislation would cut the income of doctors and physicians. And Congress then for has seen fit to string along with the Association.

But the opposition is weakening. When the American Federation of Labor enlisted in the fight for broader social insurance we knew that victory could not be attained in a day or in a year. Now that we have won ground, we are encouraged to continue the fight. We have been battling for three years for increased hopes of success.

Public hearings conducted by Congressional committees this summer clearly demonstrated that the basic argument of the opposition forces was and is hot water. They asserted that Federal health insurance is unnecessary because voluntary health plans now in effect in many cities offer a better medium of group insurance.

This argument was demolished by the testimony given at the hearings by experts. In fact, the director of one of the most successful voluntary health insurance groups, told Congress that it cannot begin to meet the needs of the American people and that its efforts to provide protection to the people who need it are more modest in the lowest income brackets.

One by one we exploded other arguments. We proved that the bill does not entail Federal regimentation of the medical profession, that it will not increase rather than reduce the income of physicians and that it will not interfere in any way in the freedom of choice by doctors or in the freedom of choice by patients.

Thus the air has been cleared of the propaganda barrage laid down by reactionary forces in the path of this great humanitarian measure. We are assured that national health insurance is coming in America, with your support. It will not guarantee that every American will always be healthy. But it will relieve all the American people from the fear that sickness and death will rob them from a vast amount of tragically unnecessary illness due to their present inability to pay doctors' bills.

HOD CARRIERS, LABORERS PLAN BIG CONVENTION

Washington, D. C.—Close to 1,000 delegates are expected to attend the International Hod Carriers, Building and Common Laborers convention opening at the Morrison Hotel in Chicago September 4. This is one of the largest unions in the AFL, with a membership of more than a million and a half.

Reports of Joseph V. Moreschi, general president, other officers and the General Executive Board, will reflect the gains made by the organization, which registered the greatest progress in its history during the last five years.

During the war about 100,000 members of this union served in the armed forces. The convention will be presided by a meeting of the Executive Board in which the veterans will be in the majority.

CONGRESS APPROVES BILL GIVING AMPUTEES AUTOS

Washington, D. C.—Congress approved legislation to provide some 20,000 veterans who have lost legs with autos—a plan strongly supported by the AFL. The Senate had approved measures of 30 million dollars to provide cars for veterans of the recent war who lost one or both lower limbs.

The provision was contained in a rider attached by Senate Democrats to Washington in a supplemental appropriation bill. Under terms of the bill, the Veterans Administrator, Omar N. Bradley, Veterans' Administrator, is authorized to buy cars for those veterans who lost "normal" service disability since Pearl Harbor.

No limit was set on the number of veterans to be assisted. The auto Board is expected to especially equipped for facile operation.

CHICAGO CONVENTION CALL!

To All Affiliated Unions:

You are hereby notified that, in pursuance of the Constitution of the American Federation of Labor, the Sixty-fifth Convention of the American Federation of Labor will be held in the Mural Room, Hotel Morrison, Chicago, Ill., beginning at 10:00 o'clock Monday morning, October 7, 1946, and will continue in session from day to day until the business of the Convention shall have been completed.

The days of reconstruction through which the nation has passed since V-J Day have developed and presented difficult economic, social and industrial problems, all of which vitally affect the workers of the nation. The record shows, the workers, however, have met every economic challenge which they have faced in a broad, successful and constructive way. They have been called upon to meet the problem of mounting prices in the cost of living, the demand which has been made upon them for full production and to fight as never before for the establishment and maintenance of wage standards commensurate with the requirements of American citizenship.

The value of organization and collective action has been proven and demonstrated over and over again since V-J Day. We are now fighting to win a just and righteous peace as we fought to win the war. The record made by the army of production during the war constitutes a bright and brilliant page in the history of the world. Labor reached new heights in the field of production and made a contribution to the cause of the nation for service and sacrifice. It produced ships, airplanes, guns, ammunition and war material which won the victory of the war. Now labor insists and demands a just and lasting peace shall be established throughout the world. The hopes and aspirations of the victims of Nazism, Fascism and totalitarianism must be translated into realities and achievements. We shall have won the war and lost the peace if we fail to make real and vital the principles of freedom, liberty, security and justice throughout the world.

The judgment and the opinion of the millions of members of the American Federation of Labor will be expressed through their chosen representatives in attendance at this historic convention. Their hopes and aspirations for the establishment of an enduring peace and the establishment of international security will be reflected in the decisions rendered and declarations made at this Convention, in conformity with the historic record and in line with its traditional policy, this Convention will express itself courageously and constructively upon all the economic, social and industrial problems, national and international, which at the moment are uppermost in the hearts and minds of the working men and women of the nation.

(Signed) WILLIAM GREEN, President.
GEORGE MEANY, Secretary-Treasurer.

U. S. Living Cost Increases By 5½% From June 15 to July 15, BLS Finds

Washington, D. C.—Costs of living in the United States rose an average of 5.5 percent in the June 15-to-July 15 period, it was revealed in a report by the Labor Department's Bureau of Labor Statistics.

This is the largest monthly jump since the BLS began compiling figures on a July basis in 1940 and is believed by some experts to be the largest monthly rise since the bureau began collecting data in 1919.

OPA controls were not in effect, nor were subsidies operative, at the time the survey was made in mid-July, economists pointed out significantly. Final results, on July 15 food prices will be available within a week, and full figures on all other items in the consumer price index by terms of the various components, which were not surveyed in July, will be revealed late in the month.

Living essentials that were measured to arrive at the BLS's figures included food, clothing, fuel, household furnishings, fuel, miscellaneous goods and services, including medical care, personal care, recreation, public service, such as beauty shops, transportation and medical care.

The consumer price study was made on the basis of reports from cities which constitute about three-fourths of the consumer price indexes.

Prices of food registered the largest advance, 13 percent; living essentials, other than food, rose less than 1 percent.

The June 15-July 15 rise in the living costs put the consumers' price index at about 140 percent of the 1935-1939 average. The index rose about 9 percent from V-J Day and 4 percent from Jan. 15 to July 15, 1946.

The rise in food prices of 13 percent in the one-month period was due principally to increases of about 30 percent in meat, 20 percent in eggs, 8 percent in dairy products. These increases, it was indicated, reflected some of the first adjustments to have taken place between April and June, when price controls were relaxed and oils were so scarce that the BLS was unable to obtain price quotations in a number of cities.

According to a special survey of 16 foodstuffs in 12 cities, conducted by the bureau, the prices of these items declined slightly in the last week of July.

Tabulations that are complete show these increases in several urban consumer price indexes:

Birmingham, 5 percent; Boston, 7.6; Chicago, 7.7; Cincinnati, 5.6; Detroit, 5.6; Houston, 4.2; Los Angeles, 4.2; Philadelphia, 5.6; Pittsburgh, 5.9; San Francisco, 4.4 and Washington, 4.9.

Factory Output In June Reaches Postwar Peak

Washington, D. C.—Basing his forecast on the record now being set by the Nation's major industries, John D. Small, Civilian Production Administrator, predicted a "record volume" of goods will flow to consumers in the next six months.

The output reached a new peak in June, Small said in his quarterly report, topping pre-war monthly records in the metallic and nonmetallic classes, gas ranges, electric irons and table radios.

The slumps that were noted were not sufficient to offset the general upward trend, he said. Only in May and June from May, but rose in July; time and farm equipment also dropped in June by 8 and 10 per cent, respectively.

One warning note was sounded; It is probable that a "serious shortage of labor is developing" which may prove to be the principal limiting factor in production by the end of the year."

"The prospective flow of goods will, first, have to recruit back into the labor force large numbers of workers in the last 12 months," Small said. "Second, require that large amounts of the materials for the production schedules are to be met," Small said.

Despite the fact that 10,000,000 veterans and 50,000,000 war workers have been discharged into the labor market in the last 12 months, the industrial demand for workers has been so great that it has outstripped a rise by only 1,600,000, and "still may be considered remarkably low," Mr. Small said.

"The demand for labor in the remaining months of 1946 will be great as it now appears, the country's production continues to rise," he went on, "the pressure for workers will be filled from a depleted labor pool amounting to less than 4,000,000 workers."

WOMEN IN GOVERNMENT

Washington, D. C.—By the end of May of this year, there were 599,000 women employed full-time by the executive branch of the Federal Government in the Washington area alone these employees numbered 116,476. These figures are comparable to an all-high of 1,082,297 women employed by the Federal Government in July, 1944, and with 186,210 in June, 1940.

BUDGET SLASH FORCES NLRB TO RELEASE 200

Washington, D. C.—Announcement was made by the National Labor Relations Board that it will be obliged to drop 200 employees, or 10 per cent of its staff of approximately 1,000 due to $500,000 budgetary cut.

Employees being laid off are mainly clerical workers and field examiners working on a temporary basis, although many have had two and three years experience.

The retrenchment is expected to delay the completion of accumulating cases. Labor organizations and employers have complained from time to time that there have been "unconscionable" delays in processing cases.

Because of veterans' preference, many employes with considerable experience are being dismissed to permit retention of veterans with 3 or 4 months' experience. This, too, it was said, may be expected to slow the disposition of new cases.

At the board's offices it was said that charges of unfair labor practices, refusal to bargain collectively were increasing.

SECURITY COUNCIL URGED FOR LABOR PROBLEMS

Milwaukee, Wisc.—Sharp condemnation of "government-by-crisis" and of the true spirit of collective bargaining" and a proposal that a National Economic Security Council be formed by labor, was expressed by the Executive Board of the AFL Allied Automobile Workers of America in session here.

The board telegraphed President Truman urging him to set up a committee composed of the Secretaries of Labor, Commerce and Agriculture to call a meeting of the recognized leaders of labor, management and agriculture to form a permanent security council free from government party politics.

JACOB ROSENBERG DIES: A LEADER OF MUSICIANS

New York City.—Jacob Rosenberg, president of Local 802, American Federation of Musicians (AFL), died here July 31 at the age of 51. He is survived by a widow and two children.

Mr. Rosenberg helped to build the local into the largest in the AFM and was president since the first local received autonomy 12 years ago. For many years he had been a member of the Philharmonic and the NBC Symphony.

AFL Council to Map Campaign For Election of Better Congress

Bradley Charges Abuses In Vet Training Program

Milwaukee.—Stern warning that a national scandal involving millions of dollars in Federal funds" impends was sounded by Gen. Omar N. Bradley, Veterans Administrator, in a blunt discussion of the veterans' on-the-job training program.

Addressing the United Spanish War Veterans at their annual encampment here, the General gave official confirmation to formal charges of the American Federation of Labor and widespread abuses in the program. His observations gave new strength to the AFL contention that the veterans enrolling in this program are best protected under union apprenticeship.

Bradley pledged that he would recommend to Congress changes in the law to tighten controls, if they are needed, and called upon State and Federal agencies to halt unscrupulous practices which have been reported.

Declaring that "even without the formal reports of "irregularities," it is said, "evident that something is wrong," he said:

"From the outset, unscrupulous persons lost no time in taking advantage of the opportunities on the job," Bradley told members of the United Spanish War Veterans at their 48th national encampment here. "The dishonest employer and the unthinking veteran have already infected the program in many States."

Both employers and veterans were resorting to "trick practices," he said.

Something is wrong, he continued, when it takes 3 years to learn to be a stock clerk in one State and 8 months in another and when training establishments lower the beginning wage of its trainees by an amount equal to their subsistence allowance.

This is a result, he said, of irresponsibility being split among State and Federal governments under the education provisions of the GI Bill of Rights.

Citing various unscrupulous practices, he said one garage owner in a Southern town lowered the wages of a mechanic from $35 to $23 as soon as the veteran applied for training to become a foreman.

The employer said the subsistence allowance would more than make up the difference.

Both the advertising and sales managers in a large Western department store applied for job training, he said. One of them, the son of the store president, was drawing $700 monthly and training for his father's job. The other, drawing $90 monthly, was training for the vice presidency.

"These trick practices stand in danger of undermining a program that can offer honest and useful training to thousands of veterans who need it," Bradley said.

Under the GI Bill, State boards certify establishments as qualified to give on-the-job training and supervise the training. The VA grants approval, reviews the course submitted and pays subsistence allowances at the rate of $65 a month to single veterans and $90 to those with dependents.

YOUR TAXES AND MINE

This is the fourth of a series of 12 articles on tax problems affecting every person in the Nation, written for the AFL Weekly News Service by Arthur J. Elder, vice-president of the AFL's Tax Committee and a vice president of the Federation of Teachers.

A Limit on Income Taxes?

By ARTHUR A. ELDER

Taxes and Wages

Some tax experts, who are, we suspect, in the upper income brackets, suggest that the base of the taxation system must be expanded so that—as they put it—"every person will feel that he is paying a share of the cost of HIS government."

Just how much of a share do the people in the lower brackets pay, anyway? His estimate is that more than 60 per cent of a typical American family went into taxes. This was a tremendous proportion, so high that it was not equalled except in the brackets above $5,000 a year. With high wartime taxes, and adding in state and local taxes the rate is now even higher.

High taxes on such low incomes actually deprive people of bare necessities. If the taxes were removed the tax money would be spent on food and clothing and other necessities which cannot be bought today for a family of four for less than $3,000 a year.

Taxes that reduce consumption hurt at two ends. They hurt those whose buying power is cut off and they reduce the amount of production that can be sold. Thus, they cut production, throwing higher paid workers out of their jobs that much sooner. They also cut farm income, and this again cuts the amount of production that can be bought.

To develop a tax program that encourages consumption, find the basic income needed for basic needs and decency and tax only above that level. Taxes on incomes should be at a lower rate than those on higher incomes, since a 20% tax, after exemptions, on a low income, obviously hurts much more than a 20% tax primarily, while state income and other sales taxes?

Are we headed for the same situation that created the depression of the 1930's? There is general agreement that reduction of taxes on income at a time when capital and idle savings were piling up at a tremendous rate, was one of the factors that brought on that depression.

AFL TEACHER GRANTED HEALTH SCHOLARSHIP

Washington, D. C.—On recommendation of the American Federation of Labor, Miss Mildred Boyd of Bogalusa, La., was awarded a year's scholarship by the Joint Scholarship Committee appointed by Surgeon General Thomas Parran of the U. S. Public Health Service.

Miss Boyd is an active member of Local 1,426 of Bogalusa (AFL) and a graduate of Louisiana State University. A former physical therapist in the WAC, she was recommended for the award by her union and will enter the University of North Carolina in September to take one scholarship is earmarked for a person nominated by the AFL.

IATSE RE-ELECTS WALSH AND HIS ENTIRE SLATE

Chicago.—Richard F. Walsh, president of the International Alliance of Theatrical Stage Employes (AFL), and his entire slate were re-elected here in the biennial convention of the union here. Walsh was given 646 votes to 426 for William Bennett of Washington.

The convention gave Walsh authority to suspend portions of the union's constitution to help avoid economy in disciplining their members. He was also empowered to take "such acte steps to rid the International of any subversive, radical or communistic groups."

L.98 DISPUTES SETTLED

Washington, D. C.—Conciliation Service settled 1,408 labor-management disputes in June, 1,065 before reaching the strike stage.

WAGENET SUCCEEDS CLAGUE IN SOCIAL SECURITY POST

Washington, D. C.—Appointment of Robert C. Wagenet as director of the Employment Security Bureau, Social Security Administration, was announced by Paul V. McNutt, Social Security Administrator. He will succeed Ewan Clague, who resigned to become Director of the Labor Department's Bureau of Labor Statistics.

Wagenet was the first director of the Employment Compensation Bureau of the security agency in 1935. He resigned six years ago to head the State Employment Division in California. After three years in that post he joined the Marin Shipbuilding Co. in California. A native of San Diego, Wagenet is a graduate of the University of California.

AFL ALUMINUM UNION WINS IN LAFAYETTE, IND.

Lafayette, Ind.—The International Union of Aluminum Workers (AFL) scored a decisive victor here when employes of the Aluminum Co. plant voted for the AFL union among 932 for the CIO. The vote for no Caimee was 268. Leaders of the campaign for AFL representation as collective bargaining agent were headed by William Green, AFL president.

CARMEN WIN DISPUTE

San Francisco.—Members of the Carmens Union (AFL) have agreed to accept a city-forced compromise of their demands guaranteeing them $1.24 an hour by Charter amendment in November. The settlement rate is retroactive to July 1, and is only one cent less than the original union demand.

Many Matters Facing Pre-Convention Session Slated for Chicago

Chicago.—Intensification of the AFL's political activities in the coming Congressional campaign will be one of the top subjects on the agenda of the mid-summer meeting of the Executive Council which opens here August 12.

Concerned over the many failures of the 79th Congress to approve measures on the "must" list of organized labor, and disturbed by repeated Congressional attacks on labor's basic freedoms, the leaders of the American Federation of Labor are determined to mobilize the full strength of the Federation's seven million members this Fall to elect a law-making body more responsive to the people's needs.

It was emphasized, however, that despite garbled newspaper reports, the AFL does not contemplate setting up a "political action" committee.

Following its traditional non-partisan political course, the Federation is expected to concentrate its efforts on getting out the labor vote in favor of candidates who have been indorsed on the basis of their voting records.

Other important and current matters to be decided by the Executive Council include:

1—Formulation of a domestic program to prevent inflation and guard against a future depression.

2—Recommendation of policies to further the cause of world peace.

3—Establishment of a Maritime Council in the AFL composed of unions affiliated with the Maritime Trades Department of the AFL, which is scheduled to open in this city October 7. The Executive Council did not meet from Oct. 1945 to last year because the convention had to be canceled due to wartime travel restrictions.

The sorry record of the 79th Congress on domestic issues will be reviewed in detail by the Executive Council. Most disappointing to labor was the failure of Congress to adopt effective price control legislation and its surrender to lobbyist pressure against the Wagner-Ellender-Taft long-range housing bill.

Other serious mistakes by Congress included failure to improve the unemployment insurance system, grotesque to lift the national minimum wage level, and complete inaction on legislation to expand the social security and to inaugurate Federal health insurance.

For Labor Day Editions

INSIST ON UNION LABEL

By I. M. ORNBURN
Secretary-Treasurer
AFL Union Label Trades Dept.

Labor Day, this year, ushers in a new period for the American worker—both man and woman. With the war over, and reconversion substantially on the way, every member of the American Federation of Labor can further his own interests by demanding the Union Label on all articles he buys—the Shop Card and Service Button in all service establishments. He can be certain, if he insists upon it, that the goods he buys were made by fellow-unionmembers at a decent scale of pay and working on a non-sweatshop basis. His interests dovetail over the line to whatever field the American worker may be. Nothing has proven, over a long period of years.

All the peoples of the world have learned to recognize the American Flag as a symbol of freedom—freedom from fear, freedom from want, and a symbol of a more abundant life for all. For American labor, the Union Label, Shop Card, and Service Button symbolize freedom from fear of unfair treatment; freedom from want through a higher standard of living; and an invitation to higher ideals in Council and other pursuits which would benefit our nation.

NEW YORK HOTEL UNION SCORES NOTABLE GAINS

New York City.—Members of the Hotel and Club Employes Union (AFL) through the Hotel Trades Council representing 30,000 AFL workers, reached an agreement with the Hotel Association here for a 40-hour, 5-day week, instead of the present 48 hours, with the same pay for all hotel workers, except those in the tipping field. Waiters' hours were cut from 54 to 48 hours and pay increases were granted of approximately 20 per cent, retroactive to June 1.

The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor concerning the federal, state legislatures, and judicial bodies, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR
WEEKLY NEWS SERVICE
SUPPLEMENT

SAVE FOOD—Help Relieve Famine Abroad

WILLIAM GREEN, President | WASHINGTON, D. C., FRIDAY, AUGUST 9, 1946 | GEORGE MEANY, Secretary-Treasurer

Government Acts Swiftly to Avert Imminent Shoe Industry Collapse

Washington, D. C.—In a three-pronged drive to avert an imminent collapse in shoe production, the Government initiated swift moves to break through a leather crisis being forced on the Nation by hide speculators.

Reconversion Director John R. Steelman, following a White House conference attended also by OPA Administrator Paul A. Porter and CPA Director Civilian Production Administrator John Small, affirmed the Administration's pledge to protect consumers against "gouging" by speculators and force out increased supplies of leather which have been withheld for higher ceiling prices.

The Justice Department was requested to investigate reports of an industry "conspiracy" to withhold all leather from the market until OPA could be made to revise its price ceiling or consent to de-control of hides and leather.

The Civilian Production Administration was directed to make a check at once of hide inventories in the hands of slaughterers and collectors, and of hides and processed leather held by tanners. If it is found that stocks are in excess of a minimum working inventory, CPA plans to order immediate release of the oversupply. Cases of criminal violations will be referred to the Justice Department.

Meanwhile the OPA reiterated its determination to resist pleas for price increases for domestic hides and leather. Under the standards set up by Congress, it was pointed out, there is no ground for de-control of these commodities under present conditions of supply and demand. OPA enforcement agents were directed specifically to guard against movement of accumulated hides at black market prices.

Mr. Steelman said that products made by the hide and leather industries in all have been averaging 7% day and the suspension of price control on June 30 reached the highest productive levels in their history. He added:

"During the twenty-five-day suspension of price control the price of hides increased about 50 per cent on an average and in some instances rose as high as 75 per cent. Approximately 900,000 hides were sold during this period. The day after price controls were reinstated, sales of hides virtually ceased although cattle slaughter continued at record heights.

"We are face to face with a situation where some production is being curtailed at a time when it is urgently needed," Mr. Steelman continued, "and the dangerous inflationary pressures which the nation is striving to overcome are being accentuated because of the selfish interest of a relatively few people."

When price control lapsed, the President made a public appeal for the maintenance of the then existing price ceilings. The majority of the people who are now withholding hides did not do this. When speculation started Mr. Porter made it clear that the Office of Price Administration would not "bail out" speculators who paid over-ceiling prices."

While nothing was said to indicate that the credit needs of the hides industry would be extended to other industries or attempts to bring about decontrol by withholding supplies from the market, there was some belief that the cash of these commodities under present conditions of supply and demand. OPA enforcement agents were directed specifically to guard against movement of accumulated hides at black market prices.

For Labor Day Editions:

New Challenges to Labor Are Cited By Schwellenbach

(The following Labor Day message was issued by Secretary of Labor L. B. Schwellenbach):

Labor Day is an appropriate occasion to examine the status of the wage earners of the country. It is a time to count the gains of the past and to list the needs of the future.

A year ago, on this first Monday in September, hostilities just had ceased and we were facing a period of readjustment. It had been a period of strain and doubt to millions of wage earners and millions of men and women in the armed forces. Every one realized that the physical task of shifting back to peacetime production was tremendous. But essentially prevailed as to how smoothly and how quickly reconversion would take place.

Now, most of the job is near completion—and successfully. The output of civilian goods and services has been lifted virtually to record peacetime levels. This rapid reconversion has not been without its serious setbacks and pains. There have been disputes and disagreements which cannot be minimized. But it is good for all of us that labor has preserved its strength through this trying year.

There should be nothing surprising about this feat, for American labor has always conquered obstacles successfully. The first Labor Day celebration occurred in September 1882 under the auspices of the Knights of the Carpenters' International Union in New York City. Through many battles, the wage earners' right to organize and bargain collectively is protected by law and universally accepted. It guards the service forces of 14 million union members. These members and their leaders have made collective bargaining one of the most effective institutions.

This is a tremendous achievement, one which touches the lives of all within the ranks of labor. It carries much wider responsibilities than many of us realize. And like every great privilege, it must be used. The precious right to speak for so many millions has not gone unchallenged. More and more, as collective bargaining and union agreements determine the relationship between labor and management, the responsibilities of labor must right be curtailed. These critics say that organized labor's motives are self-ish, that its demands are not directed toward the common good.

If I believed that charge I would not be Secretary of Labor. But it is you, the members and leaders of organized labor, who must meet this challenge by maintaining a sense of responsibility to the needs and welfare of the country. Let your answer come from union halls and from the bargaining table. Let it come from the mills and mines and factories where another great task of production and re-adjustment remains to be achieved during the year ahead.

You will be called upon to help meet the threat of spiralling prices. Make your answer an open invitation to a period of industrial stability and peak production—with adequate price and rent controls. Such a policy will permit no sacrifice of gains already won and no abandonment of future claims. It does call for wisdom and restraint, for social needs above self.

Write your answer in the language of responsible democracy by supporting your country and its freedom and its way of life. Write it so clearly that all who labor will recognize and share your lofty purpose.

Mine Supervisors' Pact Approved By Truman and Stabilization Board

Washington, D. C.—Final Government approval to a union contract for mine supervisory workers employed by the Jones & Laughlin Steel Corp. has been given by President Truman and the Wage Stabilization Board.

The agreement was negotiated by Admiral Ben Morrell, superintendent of the seized mines, and representatives of the United Clerical, Technical and Supervisory Employees Local 1 of the United Mine Workers (AFL). It involves 120 supervisory workers and a small number of clerical and technical employes of Jones & Laughlin at Aliquippa, Pa., and 1,500 office and clerical and technical workers of the Industrial Collieries Co., a subsidiary of Bethlehem Steel, at Johnstown, Pa.

By its action, the Government completed its part in sealing and approving the first contract in United States history for coal mines supervisors.

The agreement was asked despite a pending court petition by Jones & Laughlin for an injunction to block the agreement from becoming effective.

Hearing on the preliminary injunction petition was held by a special three-man court in the United States Court of Appeals here. A decision has not yet been handed down.

The Wage Stabilization Board declared itself legally bound to accept the certification of the National Labor Relations Board as to the proper bargaining status until that certification is reversed by competent authorities."

As soon as the NLRB certified the UMW unit as the bargaining agent for the Jones & Laughlin supervisors, Admiral Morrell negotiated a contract to cover working and wage conditions. The agreement was signed for the supervisors July 17.

The contract provides a base rate of $1.83 a day in the pay of supervisors, with overtime for work after eight hours daily, and for a $100 payment in lieu of vacation. Other working conditions contained in the contract are the same as those agreement for the production workers contained in the supervisory contract.

The clerical and technical employes will receive 12½ cents hourly increase with overtime beyond 40 hours.

The contracts were retroactive to May 21, when the Government took over the mines. Admiral Morrell still supervises the Jones & Laughlin operations, with the operators functioning as managers under him.

Seafarers Get Pay Raise Under Temporary Pact

New York City—A 30-day interim agreement, providing increased pay, shorter work hours and higher overtime rates, was signed here by the AFL Seafarers International Union and the Atlantic and Gulf Ship Operators' Association.

Announcing the agreement, L. A. Parks, association director, said it was only for one month but that it might be extended. The union, he added, agreed to man at once some 25 vessels tied up in Atlantic and Gulf ports.

Wages called for in the interim agreement are identical with those provided for in the interim agreement signed by the union on July 24 with the Mississippi and Waterman Steamship Co.'s, two lines which had belonged to the Atlantic and Gulf group until they withdrew. Following the signing of a separate agreement with the union.

The interim agreement provides that general rules and working rules for all companies belonging to the association will be the same as those which had previously applied in an agreement between the union and the South Atlantic Steamship Line, another member of the group.

The union hailed the interim agreement as providing its members with wages substantially higher than those won by the rival National Maritime Union (CIO) last June when a nation-wide shipping strike was threatened.

In support of this contention the union pointed to a monthly wage of $172.50 called for in the interim agreement for A. B. seamen and compared this with a monthly wage of $162.50 which it cited as the NMU wage for the same rating. In other classifications, it claimed wages over the rival union's level from $2.50 to $30 a month. Overtime under the union agreement is set at $1.35 per hour as compared with $1 per hour for the NMU.

The agreement provides for a 40-hour week in ports with a 56-hour week for watch workers at sea. Day workers at sea would work only 44 hours before receiving overtime.

Another provision of the interim agreement permits seamen on vessels engaged in the domestic trades to be paid off in the ports of the Continental United States and Puerto Rico upon giving 24 hours' notice to the employer. The operators on the other hand obtain the right to discharge unlicensed personnel at any domestic port on 24 hours' notice but must provide transportation if they elect to do so.

Disputed overtime on vessels not now in continental United States ports are to be settled on the basis of the former agreement for the period prior to Aug. 5 and on the basis of the interim agreement for the period after this date.

Green Offers Three-Point Program To Protect Labor In Shift of USES

Washington, D. C.—A three-point program for State Federations of Labor to guard against abuses of State Employment agencies and insure a maximum of protection for labor when control of USES returns to the States November 15, was presented by AFL President William Green.

Pointing out that Congress voted for return to State control over the vigorous opposition of the AFL, Mr. Green announced he is writing to the headquarters of the USES on development of national standards to safeguard labor's interests. However, he warned:

"To minimize the dangers to labor involved in the return of the USES to State operation, there is much that labor itself can and must undertake to do. We will communicate with you from time to time with respect to this matter. In the meantime, it is recommended:

"1. That the Employment Service be removed from the jurisdiction of the State Unemployment Compensation Agency and be given coordinate and independent status. This has already been accomplished in Kentucky where the State Legislature enacted a bill to establish a separate Employment Service Agency within the State Department of Labor. Labor in Kentucky the Employment Service is now at the mercy of the Unemployment Compensation Agency within the Department of Labor.

"In the following States where the Unemployment Compensation Agency is also located within the State Department of Labor or an Industrial Commission, similar legislation should be sought to provide for the establishment of the Employment Service as a separate Division, independent of the Unemployment Compensation Agency, where this is not now provided by law:

Alabama, Connecticut, Florida, Georgia, Idaho, Illinois, Kansas, Louisiana, Nebraska, New Hampshire, New York, Pennsylvania, Utah and Wisconsin.

"2. That both the Unemployment Compensation and Employment Service programs be administered within the State Department of Labor or Industrial Commissions. It is recognized that in some States the Labor Departments or Industrial Commissions are far from adequate and in some cases do not reflect a proper labor point of view. Nevertheless, it would appear to be advantageous in most instances to have these programs administered by the State Labor Departments or Industrial Commissions, particularly where the employers dominate the administration of the present Unemployment Compensation Commissions. The following States have established Unemployment Compensation Commissions independent of the State Department of Labor or Industrial Commissions:

Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia and Wyoming.

"3. Where it is not possible to obtain legislation to further both the Unemployment Compensation and Employment Service programs to the State Labor Departments or Industrial Commissions because of employer opposition or for some other reason, it would then be desirable to seek to have the Employment Service program transferred to a State agency where it is some States to enlist the active assistance of the Governor, the Commissioner—and perhaps through him, the Governor—in effecting this transfer. In States where there are no Labor Departments, or where they are not sympathetic to the interests of Labor, it would be desirable to seek legislation to have the Employment Service transferred as a part of the Unemployment Compensation Commission and established as an independent agency.

"In the drafting of legislation to accomplish the recommendations set forth above, care must be exercised to stay within the requirements established by the U. S. Department of Labor and the Social Security Board and also to preclude the possibility of the State Unemployment Compensation Agency establishing its own rival Employment Service. Please feel free to call on us if we can be of any assistance."

YOUR TAXES AND MINE

This is the fifth of a series of 12 articles on tax problems affecting every person in the Nation, written for the AFL Weekly News Service by Arthur A. Elder, tax consultant of the AFL's Tax Committee and a vice president of the American Federation of Teachers.

Nuisance Taxes
By ARTHUR A. ELDER

A few cities, faced with inadequate revenues from their real estate taxes, have turned to local payroll taxes, local sales taxes, taxes on cigarettes, amusements and a great variety of nuisance taxes.

These nuisance taxes are, almost without exception, bad, because they are not based upon any consideration of ability to pay. The chief argument for them is that since they are indirect taxes, they are painless and people do not notice them.

One of the cities that has adopted the payroll tax is Toledo. This is a city with one of the lowest real estate tax rates in the nation, its average tax rate being $19.50 per $1,000 valuation as against $27.61 per $1,000 valuation average tax rate levied in 213 cities in 1941. Workers in Toledo would be better off under a sales tax or an increase in the property tax than they are through the adoption of a payroll tax.

If your community is playing with the idea of adopting local nuisance taxes, be sure to consider the following:

Is local property being fairly assessed and taxed?

If property is bearing a high tax burden, are not state-raised taxes on income, shared by the cities and other local governments, preferable to local nuisance taxes that bear heavily on low income groups?

Some supporters of nuisance taxes argue that such taxes will draw revenue from so-called "outsiders," chain-store headquarters, etc. Actually, these people placing an unfair burden on such non-residents, who pay taxes where they live, and who contribute to the prosperity of the city where they work by paying their wages. Nothing is more unfair than double taxation. It will be a sorry day for these United States when its thousands of cities, towns, and villages set up tax laws that discourage free social or economic relations.

U. S. WORKERS GET OVERTIME WAGES DATING FROM '34

Washington, D. C.—Legislation signed by President Truman will give more than a million Government workers overtime pay, retroactive to 1934. The money is provided in the third deficiency appropriation bill.

Most of those who will get the back pay are or were employed in Army and Navy establishments throughout the country, but many of the beneficiaries of the new legislation are in the Government Printing Office, the Bureau of Engraving and Printing and the Naval Gun Factory here.

The legislation, submitted to Congress by the comptroller general, authorizes Government agencies to pay this overtime direct to their employes or forward money for payment of it through their claims through the General Accounting Office.

Between 1,000,000 and 2,000,000 people will receive the overtime, of which only small amounts to each person, according to estimates by officials of the General Accounting Office.

The overtime disbursements occasioned by the difference in calculating the extra pay for night workers on the night base pay as against the day base pay. Also involved is some overtime for holiday and leave pay.

Thousands of Federal employes over 65 years of age who are dismissed under the rule that they must retire after 25 years' service, will be able to retain both annuity rights, under another bill signed by the President.

The measure, sponsored by Representative Lanham, Democrat, of South Island, brings retirement benefits to employes who otherwise would not have been able to obtain such benefits until they reached retirement age of 60 or 62.

The new act entitled them to full retirement benefits, less a 2 percent reduction in the payments for each year they are under the retirement age.

The measure as it came from the House carried no floor on the age of employes who would benefit. But the Senate inserted the age limit of 65 beneath which the bill would not be effective. Later separate bills were introduced in both House and Senate to reduce the figure 65 from the bill, but they failed of action before adjournment of Congress.

June Retail Sales Up 22% In Year

Washington, D. C.—June retail sales are estimated at $7,700,000,000, or 22 percent above a year ago, the Commerce Department announced. Durable goods sales gained 60 percent while the total sales of non-durable goods rose 15 percent.

A decline in food store sales in June, reflecting shortages of meats, fats, bread and canned goods, was the only drop from down sales of sales to about the May level, the Department said. In the second quarter of the year, as in the first, durable goods stores recorded heaviest gains over the same period in 1945 period, while sales in the automotive group were almost double those of the like quarter.

Home furnishing groups were up 50 percent, with furniture and household hardware up 49 percent, while jewelry sales were up 28 percent over last year. Filling stations, apparel and general merchandise recorded increases of about 20 percent and food and drug stores gained approximately 10 percent.

STRIKES REACH NEW LOW ON VET HOUSING PLANS

Washington, D. C.—Housing Expediter Wilson W. Wyatt announced that work stoppages affecting construction of homes are at the lowest point since the start of the Veterans' Emergency Housing Program, and that "cooperation has been extremely important" to the success of the program, expressing the hope that decreases would continue.

One of the most important goals of the "EHP" is to keep work stoppages and disputes at a minimum so that the flow of building materials and construction of homes can proceed without unnecessary hindrance. Mr. Wyatt credited to the cooperation of labor and management, and the Conciliation Service for "this splendid record" of uninterrupted work.

WINE AND LIQUOR UNION TO CONVENE IN MONTREAL

Montreal—Members of the Wine, Liquor and Distillery Workers' International Union (AFL) will open their convention here September 17.

The convention this year faces a number of major issues, including a steadily increasing drive by drys in the United States and Canada for prohibition, the problem presented by the steady shrinkage of grain and new restrictions on distilling.

Leaders of the union have prepared a draft of proposed changes for consideration by the full membership.

GREEN NFA TRUSTEE

Washington, D. C.—Chairman H. Christian Sonne of the National Planning Association announced the appointment of AFL President William Green as a trustee of the NPA. Other officers recently elected included M. H. McIntyre, president of the International Brotherhood of Electrical Workers (AFL).

A. J. Higgins Faces War Profits Inquiry By U.S. Grand Jury

50 GROUPS TO TESTIFY AT HEARINGS ON PRICES

Washington, D. C.—More than 50 groups, representing labor, business and farm interests, filed applications here to appear before the Price Decontrol Board to advise what controls should be removed or reinstated.

Price ceilings automatically will return August 21 on a long list of food items and other commodities, exempted by Congress for a trial period, unless the three-man board intervenes.

Price of many commodities have been raised by the OPA since Congress voted its continuance under restricted powers. Major items under present consideration include grains, livestock, cottonseed, soybeans, milk and other dairy products, including butter.

Special Prosecutor to Press Investigation Of Boat Builder

Washington, D. C.—Andrew Jackson Higgins, an obscure builder of pleasure boats who bounded into the multi-million-dollar contractor class during the war as a producer of landing craft, faces Federal Grand Jury investigation into his financial transactions with the Government.

This was disclosed when Frank Cunningham, New Orleans lawyer, was sworn in as a special assistant to the U. S. Attorney General to prosecute cases growing out of the inquiry ordered by the Justice Department.

Informed at New Orleans of the impending inquiry, Higgins emphatically denied that any of his companies engaged in war frauds or false claims.

However, a letter from Attorney General Tom Clark declared that Higgins and his associates concealed and covered up by trick, scheme or device, material facts and made "fraudulent statements."

The letter of the Attorney General also charged the group had made false bills, receipts, vouchers, accounts, claims certificates and affidavits, knowing that these were "fraudulent statements."

In a public statement at the time he took the oath to press the inquiry, Cunningham named Wilton P. Chatry and Morris Gootesman, Higgins executives; Frank O. Higgins, son of the boat builder, and the Higgins boat and plastics divisions, as well as "other persons, companies, corporations and firms" unknown to the Justice Department at this stage of the investigation.

Through the war period, Higgins made a production record in ship construction second only to that established by Henry J. Kaiser. His company turned out more than 20,000 landing craft that army leaders said made possible the successful Allied invasion of enemy territory in Europe and the Pacific.

At the peak of his success, Higgins proclaimed that his spectacular achievement was made possible by the cooperation of labor and from American Federation of Labor unions. The Metal Trades unions of the yards were operating under closed shop AFL contracts. He explained that he had been an open "Democrat" in private days, but had reformed.

The unions worked tirelessly to help Higgins obtain contracts and the materials he would need to fill them. They screened the Justice Department's skilled workmen and when unfriendly interests tried to crowd him out of the war production picture they "went to bat" for him.

With the end of the war, however, Higgins changed his attitude and bluntly refused to deal further with the unions—even to the point of threatening to close his plants. He published large ads in the newspapers, making inflammatory charges against organized labor and demanding repeal of labor legislation.

Stirred by the falsity of his accusations, the Metal Trades Union (AFL) called for a Congressional investigation of Higgins' wartime activities.

Japs Take Advice Of Green to Defeat Federation's Reds

New York City.—Heeding the advice of AFL President William Green to strike a body blow at Communist influences, right wing elements in the Japanese Federation of Labor succeeded in defeating over the left-ist faction in the recent election, it was revealed in special dispatches to the New York Herald Tribune.

Komakichi Matsuoka, a leader of the Conservative bloc of the Social Democratic Party and candidate for president of the Federation, polled 594 votes to 127 for Kanju Kato, a Leftist leader of the same party.

The important post of secretary general went to Tomaki Hara, a Matsuoka-supported candidate who is a violent anti-Communist, by a vote of 647 to 74 for Isuru Kikuno, a leftist candidate. The three vice-presidents chosen are also right, according to Japanese sources, the dispatches said.

The federation, which is similar to the American Federation of Labor, adopted a manifesto which included a strongly voiced opposition to the government's reconversion regulations adjustment bill, although Matsuoka aided in drafting the bill.

The bill placed on record as favoring a strong labor front regardless of party affiliations. Members stated their readiness to include Communist elements, provided the latter agree to become more flexible in their policies. However, no Communist delegates were present at the convention, which was strong feeling that further overtures to the Communists would be unwarranted.

AAA PREDICTS 60 MILLION WILL VACATION BY AUTOS

Washington, D. C.—The American Automobile Association predicts a record-breaking number of highway vacationers this summer. In spite of lagging production of new passenger cars, shortages of parts and slow repair service, 60 million more are on the highways than ever before.

A. A. A. predicts for the year 60 million people in 20 million cars will take highway vacations. Their purses will be six billion dollars lighter when they return home, if they have no more than normal troubles, they'll have 10 million flat tires, 12 million cases of ignition and battery trouble and 3 million "serious breakdowns."

500,000 New Homes Being Erected; 225,000 Others Completed In Month

Washington, D. C.—Construction of nearly 500,000 homes was begun and 225,000 were completed in the first six months of this year, Housing Expediter Wilson W. Wyatt, announced here.

Striking a note of high optimism the housing chief declared there was every reason "to be very much encouraged by the home building picture."

The major task of the housing program thus far, he explained, has been to break through the barriers of building materials, and while production still is behind the rapidly-mounting demand, Wyatt blamed short-ages of critical materials, uncertainty over the future of building costs in consequence of the unsettled status of price control and restrictions pertaining to priorities for building materials to keep supply in line with demand.

"Of the 225,000 completed, 153,000 are new permanent houses and apartments and 72,000 are temporary rentals, including conversions and trailers. Of the permanent units, 113,000 were started in 1945. Nearly all of the others were begun this year.

While noting increases in the production of materials, Wyatt said the abnormal demand for them had lengthened the average time of building a home to between six and seven months as compared with three to four months required in pre-war years.

The constant pressure on supply has been greatly lessened by a recent order limiting non-housing construction although the major effects of the order are just beginning to be felt, he said. He pointed out that between 25 and July 25 of the 48 civilian Production Administration had denied nearly $1,000,000,000 in applications for non-housing construction.

Mr. Wyatt noted that lumber production in May reached the highest levels since August of 1944 and called attention to similar "bright spots" in the output of brick, asphalt roofing and clay sewer pipe.

Mr. Wyatt's office announced coincidentally the institution of a subsidy program on cast-iron soil pipe.